

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-------------------------------------|---|---------------|
| THE APPLICATION FOR RATE ADJUSTMENT |) | |
| BY LOCKWOOD ESTATES DEVELOPING |) | |
| CORPORATION PURSUANT TO THE |) | CASE NO. 9627 |
| ALTERNATIVE RATE FILING PROCEDURE |) | |
| FOR SMALL UTILITIES |) | |

O R D E R

On July 7, 1986, Lockwood Estates Developing Corporation ("Lockwood") filed its application seeking to increase its rates in order to generate additional revenues of \$12,283 annually, an increase of 258.2 percent over its normalized revenues. On September 4, 1986, the Commission staff performed a limited audit of Lockwood's operations for the purpose of evaluating the requested increase in rates. On October 17, 1986, the staff issued its report containing findings and recommendations related to the requested increase. Lockwood did not file any comments in response to the staff report and did not request a public hearing.

The staff report, based on the Commission's usual rate-making practices and a continuance of the rate subsidization by the developer, recommended that Lockwood be granted an annual increase of \$2,997. The Commission finds the recommendations contained in the report to be reasonable, and therefore, will grant the increase of \$2,997 resulting in annual operating revenues of \$8,100.

SUMMARY

The Commission, based on the evidence of record and being advised, is of the opinion and finds that:

1. The rate proposed by Lockwood should be denied upon application of KRS 278.030 in that it will produce revenues in excess of those found reasonable herein.

2. The rate in Appendix A is fair, just and reasonable for Lockwood in that it will produce annual operating revenues of \$8,100.

IT IS THEREFORE ORDERED that:

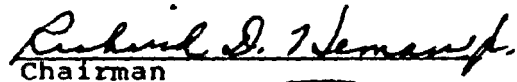
1. The rate proposed by Lockwood be and it hereby is denied.

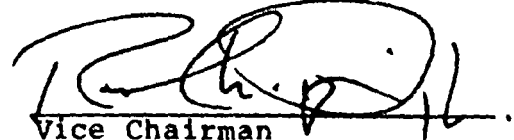
2. The rate in Appendix A be and it hereby is approved for service rendered by Lockwood on and after the date of the Order.

3. Within 30 days from the date of this Order Lockwood shall file with the Commission its revised tariff sheets setting out the rate approved herein.

Done at Frankfort, Kentucky, this 3rd day of December, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Commissioner

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9627 DATED 12/3/86

The following rates and charges are prescribed for the customers in the area served by Lockwood Estates Development Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

MONTHLY RATE:

Single Family Residential - per month \$25.00